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TAGS: [ECON](#) [EINV](#) [ETRD](#) [PGOV](#) [PHUM](#) [PREL](#) [VM](#)
SUBJECT: NATIONAL ASSEMBLY CONCLUDES SESSION, CONTINUES TO
SHED RUBBER STAMP REPUTATION

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[1](#)B. B) HANOI 2617

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Classified By: POLITICAL COUNSELOR MARC KNAPPER FOR REASONS 1.4 (B) AND
(D)

Summary and Comment

[1](#)1. (C) During its recently concluded session, the National Assembly approved Vietnam's WTO-entry Protocol and debated and passed 11 laws and one resolution. These included a controversial new Law on Gender Equality and a Law on Residence. However, a long-standing draft Law on Associations was withdrawn from the legislative agenda by the GVN, which reportedly feared that such a law would facilitate the establishment of new political parties. The problem of corruption and the GVN's efforts to address it figured prominently in the session, giving Prime Minister Nguyen Tan Dung a likely highly scripted opportunity to shine in a televised Q&A session. Furthermore, following a trend from previous sessions, the National Assembly continues to make efforts to move beyond its past and well-deserved reputation for being a rubber stamp for the government. National Assembly deputies grilled several cabinet members with "sensitive" questions on malfeasance in government housing allotments and the poor quality of judges. End Summary and Comment.

WTO-Entry Protocol and New Budget Approved, But Concerns Remain

[1](#)2. (C) The National Assembly (NA) met for a relatively short fall session October 17-November 29, with a nine-day break because of the November APEC Leaders' Meeting. On November 28, the NA approved Vietnam's WTO-entry Protocol with more than 91 percent of the votes cast. Speaking at a public forum in Hanoi, Dr. Nguyen Sy Dung, Vice-Chair of the Office of the National Assembly (ONA), observed that the WTO vote, a high approval "represents Vietnam's willingness to make law-making a transparent process, which in fact is mandated by its WTO entry." The NA also approved a new budget for 2007, designed to further facilitate the country's current economic reform efforts. The new budget includes a boost in the education budget and a reform plan that gives more educational spending authority to the central government and less to local authorities.

[1](#)3. (C) However, during the session, a number of deputies expressed concern about Vietnam's competitiveness and ability

to adapt to a post-WTO accession economy. Some of these concerns included: balancing social welfare with the economic development that WTO will provide; the quality and sustainability of Vietnam's recent economic development; expected job losses; the pressure anticipated from WTO regulations; and currently inadequate labor force training. Several pointed out that the country's high growth rates have been largely attributable to foreign investment and not really to a rise in labor productivity. A number also questioned how dependent Vietnam had become on foreign investment, which "has yet to boost Vietnam's productivity, institutional capacities and technology base."

Controversial Laws on Gender Equality and Residence Pass

¶4. (C) The new Law on Gender Equality, which incorporates many current legal provisions with respect to women, stipulates that the GVN must create an office to deal with issues related to gender equality (Ref A). It requires that women be given equal consideration for appointments and promotions in any and all employment areas, and that an "appropriate" percentage of female elected members of provincial People's Councils and the NA be reached. It also mandates that female and male employees may become eligible for their retirement pensions at the ages of 55 and 60, respectively, further bolstering what is already in the Vietnamese labor code. ONA Social Affairs Vice-Chairman Luong Phan Cu told the forum that this difference in retirement age should be seen as a "nice gesture" to female employees, "given the heavy burdens of family-related and social work traditionally assigned to women" in Vietnamese society. "This is what the vast majority of Vietnamese women want," Dzung added.

¶5. (C) The new Law on Residence allows the GVN Ministry of Public Security (MPS) to retain the current system of

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residence registrations, in spite of strong opposition from many deputies. During the debate on this law, deputies echoed a common public concern that the residence registration system violates the freedom of residency stipulated in Vietnam's Constitution. Many Vietnamese believe this government practice effectively acts as a barrier for individuals and families to move within the country and become legal residents of a new province or city (and subsequently buy property there), and that it has now become an infamous example of government red tape. MPS officials successfully argued that they must maintain this system for the sake of social order and security.

¶6. (C) The NA members also debated and passed nine other laws, including a revised Labor Code, a Law on Labor Export, a Law on Taxation Management, a Law on Dikes, a Law on Sports and Physical Training, a Law on Tissue Donation and Transplant, a Law on Technology Transfer, a Vocational Training Law and a Notary Law. The NA is expected to pass a draft law on mutual judicial assistance and an amended law on organization of the NA in its next session in March 2007. A much-anticipated draft law on Domestic Violence, still in comment period, may be debated at the NA's session in late ¶2007.

Continued Focus on Corruption

¶7. (C) High on the agenda of this NA session were a hearing and debate on a recent GVN report on the fight against corruption since the Law on Anti-Corruption took effect on June 1. Deputies were unhappy that more than 20 GVN ministries and agencies and 30 (out of 64) provinces had not reported the current status of their anti-corruption efforts as directed under the new law. Even without statistics from those agencies and provinces, the GVN report detailed that some VND 8,000 billion (roughly USD 500 million) had been

embezzled in the various corruption cases that came to light in 2006.

18. (C) Of particular concern was the "alarming" increase in corruption cases. Foreign Affairs Vice Chairwoman Ton Nu Thi Ninh pointed out that VND 8,000 billion is equivalent to more than two-thirds of the VND 13,500 billion (USD 840 million) budget deficit anticipated for 2007. NA member Nguyen Duc Dung fumed that corruption scandals have now entangled GVN officials charged with fighting corruption, including officials at the MPS, the Government Inspectorate and the Supreme People's Procuracy (the prosecutor's office). A formal NA report, presented at the hearing, pointed out that the number of "self-detected corruption cases" in ministries, agencies and provinces remains low. Despite this, the total number of cases investigated is "high and serious in nature."

Members Laud New PM for Determination to Tackle Corruption

19. (C) In his second appearance before the NA as Prime Minister -- and his first during the NA's regular (and televised) Q and A session -- Prime Minister Nguyen Tan Dung said that any officials failing to deal with corruption will have to be replaced. "Opportunists" who vocally criticize others for failing to deal with corruption, while they themselves do little to tackle their own problems, "will be dealt with seriously." The Cabinet is fully determined to combat corruption, the PM stressed.

110. (C) Speaking to the press, several NA deputies stated that Prime Minister Dung did a good job presenting himself to the NA. Many deputies asserted that Dung has proven himself very knowledgeable of the problems and issues facing the country and was precise in discussing possible solutions. Local newspapers also ran a number of man on the street interviews that favorably evaluated the PM's performance.

Cabinet Members Face Tough Questions on Sensitive Issues

111. (C) In addition to Prime Minister Dung, six cabinet ministers and the Presiding Judge of the Supreme People's Court (SPC) also answered questions from legislators. These included the Ministers of Transportation, Natural Resources and Environment, Finance, Agriculture and Rural Development, Construction and Education. When NA members raised the issue of possible malfeasance in the allocation of government housing to ranking GVN officials, both the Ministers of Finance and Construction failed to provide details on how

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many officials had successfully "purchased" public houses assigned to them at prices much lower than market value. Although he admitted that the list of ranking officials using public housing is not a "secret," Finance Minister Vu Van Ninh nonetheless begged off answering how many residences were sold to ranking officials and how much money the Ministry of Finance received from those purchases. He said the GVN has "yet to be able to publicize those statistics." (Note: Just before the NA session, Le Duc Thuy, Governor of the State Bank of Vietnam, was forced to return a house that he had bought from the Hanoi People's Committee at a price reportedly much lower than the market price. End Note.)

112. (C) SPC Presiding Judge Nguyen Van Hien was also on the hot seat. He admitted that in 2005 his court had to reverse more than 9,000 legal rulings for various "reasons." He later disclosed that the court system needed 1,100 additional judges, and said that it had filled some of these positions with judicial workers from "the bottom of the barrel." This comment prompted a heated debate about the judicial system in general and Hien's approach to improving it.

113. (C) The ONA's Dung told us that the questions from

deputies concerning public housing for ranking officials were among the most "difficult and sensitive" questions he had ever heard during his tenure. The hearings involving NA deputies and the SPC Presiding Judge "were an authentic debate," which was significant. Furthermore, the NA agreed to adopt changes to current procedures to allow deputies to ask follow-up questions, which will help to facilitate more discussions and interactions between NA deputies and cabinet members in the future, Dzong added. (Note: Earlier in October, NA Chairman Nguyen Phu Trong said the National Assembly Standing Committee (NASC) is considering inviting cabinet members to respond to questions during its regular monthly meetings. End Note.)

Law on Associations Withdrawn from Legislative Agenda

¶14. (C) In October, the GVN announced that it had requested that the Law on Associations be withdrawn from the legislative agenda of this NA session, citing "mistakes concerning procedures." (Note: This law has been in draft form for the last 15 years (Ref B). End note.) The ONA,s public position is that the NA simply felt that it "didn,t have a good draft" and that there was "no consensus." Privately, the ONA,s Dzong told us that several senior Politburo and GVN officials were anxious about the possibility of new political organizations taking advantage of the law, with some citing the color revolutions in Europe as cause for worry. "Basically the law is designed to legalize freedom of assembly," Dzong added. (Note: It is unclear when the NA will resume debate over the Associations law; it may not be until next autumn, when the new NA, to be elected in May 2007, convenes its second session to discuss its own legislative agenda. End note.)

Comment

¶15. (C) This latest session continues the Assembly's efforts to move beyond its past (and well-deserved) reputation as a rubber stamp for the GVN (and Communist Party). While the NA continued to assert itself as a real organ of state, PM Dzong also took the opportunity to present himself (in what was likely a highly scripted performance) as a determined leader dedicated to managing government affairs and tackling corruption. End comment.

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